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AUTHOR Lucas, John A.; Normann, R. M.
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ABSTRACT

In 1990, a study was conducted at William Rainey Harper College (WRHC) to determine the feasibility of establishing an insurance program at the college and to assess local employment demand for insurance personnel. The survey instrument and a proposed curriculum for an associate degree program were mailed to 144 area insurance companies and agencies. Responses were received from 44 companies and agencies for a 31% response rate. Non-respondents were assumed to have no interest in the program, and employment demand was therefore calculated solely on the responses received. Major findings of the study included the following: (1) responses indicated that the proposed program could enroll as many as 56 full-time equivalent students per semester; (2) the annual salaries offered to associate degree graduates would be lower ($19,300) than the average for all other career graduates at WRHC ($24,000); (3) for 75% of the students currently employed by insurance companies/agencies, there would be a generous program of tuition reimbursement, with 75% of the firms offering employees full tuition rebates; (4) respondents expressed an interest in the development of a continuing education series of non-credit seminars and workshops; (5) the preferred topic for workshops was "industry issues," though over half of the respondents were also interested in "future trends" and "current events"; and (6) respondents suggested 11 individuals to serve as part-time faculty for the proposed program. Data tables, the survey instrument and cover letter, and the proposed curriculum are included. (JMC)

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Office of Planning and Research

William Rainey Harper College

Feasibility Study for Establishing An Insurance Program for Harper College

Volume XIX, No. 7
February 14, 1991

John A. Lucas, Director
Office of Planning and Research

R.M. Normann, CPCU
Insurance Program Coordinator

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PURPOSE

The purpose of this study was to determine the employment demand and the feasibility for establishing an insurance program at Harper College. Since several insurance companies have set up major headquarters in the district it seemed likely such a program would be successful. Mr. Ray Normann, a retired insurance executive, is acting in a consulting capacity for Harper to develop this program. He, along with Thomas Johnson, Dean of Business and Social Sciences Division, requested the study.

POPULATION SURVEYED AND METHODOLOGY

The survey instrument shown in the appendix was developed jointly by the Office of Planning and Research and Ray Normann. Mr. Normann, working with an advisory committee of other insurance executives and Tom Johnson, jointly developed a proposed associate degree program in insurance which is also shown in the appendix. The proposed program lists four courses which would be new to Harper College. Mr. Normann also developed a list of 144 insurance companies and agencies listed in the district. The survey instrument, along with the proposed curriculum for an associate degree program, was mailed to these insurance companies and agencies. After three weeks, a second mailing was initiated. After the two mailings, 44 companies and agencies responded for a return rate of 31 percent. The feasibility study assumes that none of the non-respondants are interested in the program and thus the demand is based solely on the responses received.

DISCUSSION OF RESULTS

The employers demand for the program appears to be more than adequate. Projections of the demand over a five-year period show that the program could be as large as 56 FTE per semester with only 30 percent of that coming from associate degree graduates hired into the field. Seventy percent of the demand would come from existing employees. There are four new courses in the proposed program and if they were each offered each semester, the class size would be about 16 students. If they were only offered once per year the class size would then be about 32 students.

The salaries offered to associate degree graduates are low ($19,300) as compared to all the career graduates at Harper ($24,000) and thus it may be difficult to attract non-insurance employees to the field. However, the high schools are developing a "Tech-Prep" Banking, Finance and Insurance Program that will feed into Harper's program. This will supply most of the full-time students.

There are more than enough summer internships for non-insurance employees in the program as it looks like 33 would be available each year whereas, at most, only eight or nine non-insurance employees would be looking for a summer internship each year.

For three-fourths of the enrollment who are existing insurance company or agency employees there is a generous program of tuition rebates offered by their employers. About 63 percent of the companies would offer full tuition rebates for employees enrolled in the proposed program. Another seven percent would offer full tuition rebates for certain courses while another 21 percent of the firms would offer partial tuition rebates. Only ten percent of the responding firms offered no tuition rebates. The largest demand for employees enrolled in the program would be for an evening schedule (64%).

There is also an opportunity to develop a continuing education non-credit series of seminars and workshops for insurance employees. Industry issues was by far the most popular topic area. Future trends and current events were also preferred by more than half the employers.

There were only eight comments about the curriculum, three of which were "it is fine as it is." The other five offered suggestions for modifications and four of these suggested a sales or marketing course to the curriculum. Finally, there were 11 individuals suggested as part-time faculty for some of the courses in the curriculum.

FEASIBILITY STUDY FOR ESTABLISHING INSURANCE PROGRAM

Projections of Enrollment

A. Full-time students who would be hired in insurance field upon graduation

Number of Graduates Who Would be Hired in One Year	Number of Companies Responding	Total Number of Graduates Hired In One Year
Unknown assume 1/4	6	1.5
1	8	8
1.5	10	15
2	4	8
2.5	1	2.5
3	1	3
4	1	4
	31	42

If demand was spread out over five years then 8.4 full-time students would enroll each fall in the 60 hour associate degree credit program taking 15 credit hours per semester for two years. Therefore, each semester 16.8 full-time students (half new, half continuing) would be enrolled in the insurance program or 16.8 FTE to fill the demand.

B. Existing employees who would be encouraged to enroll in the associate degree program.

Number of Existing Employees Who Would be Encouraged to Enroll in Associate Degree Program Each Year	Number of Companies Responding	Total Number of Existing Employees Encouraged to Enroll in the Associate Degree Program Each Year
Unknown assume 1/4	1	.25
1	8	8
1.5	1	1.5
2	3	6
2.5	1	2.5
3	3	9
4	2	8
5	1	5
6	1	6
10	1	10
15	1	15
	23	71.25

If demand is spread out over five years, 14.25 students would enroll as new part-time students each fall in the associate degree program. It would require each student to enroll for six hours each semester for five years to complete the degree. Therefore, 71.25 part-time students would be enrolled each semester (1/5 new - 4/5 continuing) for six credit hours each or 28.5 FTE.

C. Existing employees would be encouraged to enroll in the 18-hour certificate program.

Number of Existing Employees Who Would be Encouraged to Enroll in Certificate Program Each Year	Number of Companies Responding	Total Number of Existing Employees Encouraged to Enroll in Certificate Program Each Year
Unknown assume 1/4	1	.25
1	5	5
2	2	4
3	2	6
4	1	4
5	1	5
7.5	1	7.5
15	1	15
	14	46.75

If demand is spread out over five years, 4.675 students would enroll as new part-time students each semester in the certificate program. It would require each student to enroll six hours each semester for three semesters to complete a certificate. Therefore, 14 part-time students would be enrolled each semester (1/3 new - 2/3 continuing) for six hours each or 5.61 FTE.

D. Existing employees would be encouraged to enroll in a few courses (6 credit hours each).

Number of Existing Employees Who Would be Encouraged to Enroll in a Few Courses Each Year	Number of Companies Responding	Total Number of Existing Employees Encouraged to Enroll in a Few Courses Each Year
Unknown assume 1/4	2	.5
1	5	5
2	5	10
3	1	3
3.5	1	3.5
4	3	12
6	1	6
10	1	10
15	1	15
20	2	40
30	1	30
	23	135

If demand is spread out over five years, 13.5 students would enroll as a part-time students each semester for six credits hours or 5.4 FTE.

SUMMARY OF DEMAND FOR ENROLLMENTS IN PROPOSED INSURANCE PROGRAM

Source of Enrollments	Number of Full-Time Enrollments Each Semester	Number of Part-Time Enrollments Each Semester	FTE each Semester	Number of Course Enrollments Each Semester	Number of Course Enrollments in Four New Courses Not Now Offered
Full-time students in associate degree program hired into insurance field upon graduation	16.8		16.8	84	12
Existing employees enrolled in associate degree program		71.25	28.5	142	22
Existing employees enrolled in 18-hour certificate program		14.025	5.6	28	19
Existing employees enrolled in a few courses		13.5	5.4	11	11
Total	17	99	56	265	64

Salary Which Would be Offered to Associate Degree Graduates of Proposed Insurance Program at Harper College

Annual Salary Which Would be Offered	Number of Companies	Percent
Under $15,000	3-2/3	8.9
$15,000 - $17,500	9-2/3	23.6
$17,500 - $20,000	9-2/3	23.6
$20,000 - $22,500	11	26.8
$22,500 - $25,000	7	17.1
Total	41	100.0
Mean Salary		$19,260
Median Salary		$19,224
Mean Salary all Harper Career Graduates (1989)		$24,034
Median Salary all Harper Career Graduates (1989)		$22,474

Summer Internships Available

Number Summer Internships Available	Number of Companies	Total Internships Available Each Summer
1	10	10
1.5	2	3
2	6	12
2.5	1	2.5
3	2	6
	21	33

Tuition Reimbursements for Employees Who Did Enroll in the Proposed Insurance Program

Type of Rebate	N	PCT
Full tuition rebate upon earning "B" or better in course	2	4.7
Full tuition rebate upon successfully completing courses	25	58.1
Full tuition rebate upon successful completion of insurance rated courses only	2	4.7
Full tuition rebate upon successful completion of licensing and sales courses only	1	2.3
Partial tuition rebate upon successfully competing courses	9	20.9
No tuition rebate program	4	9.3
Total	43	100.0

Most Convenient Times for Employees to Attend Proposed Insurance Program

Time	Number of Companies	Percent
Early morning 6 - 8 a.m.	2	4.7
Late afternoon 4 - 6 p.m.	7.5	17.4
Evenings 6 - 10 p.m.	27.5	63.9
Weekends	6	14.0
	43	100.0

Interest in Harper Offering Continuing Education Seminars or Workshops in the Insurance Field

Response	Number	Percent
Definitely Yes	38	88.4
Not sure	5	11.6
Definitely No	0	0
Total	43	100.0

Topics of Interest for Continuing Education Seminars or Workshops in the Insurance Field

Topic	Number	Percent
Industry issues	33	75
Future trends	24	55
Current events	23	52
Technical information	21	48
Management issues	16	36
Consumer views	16	36
Executive communication sessions	8	18
Sales ideas	1	3
Financial severities	1	3
How to evaluate financial statements - annual reports - existing and potential customers	1	3
CIC courses	1	3
Claims management topics	1	3

Comments or Suggestions for Changes or
Additions to the Proposed Insurance Curriculum

- I think the program is excellent. I think it is geared toward the operations side at insurance rather than sales, which is probably good since operations (claims underwriting, etc.) is an excellent training ground for sales.
- A course in international insurance and bonding
- I would like to see a course in sales/marketing tied to the insurance program.
- Some kind of testing for aptitude - I assume this possibly under career exploration. Also some salesmanship classes should definitely be added.
- Definitely lacking sales/marketing/agency management.
- Sales and licensing (marketing oriented)
- Looks good
- Looks especially interested in intern program

List of Suggested Part-time Faculty

Kenneth Mikula
Hobbs Group, Inc.
425 N. Martingale Road
Suite 1100
Schaumburg, Ill. 60173
(708) 240-1606

Larry Graf
c/o Inter Cargo Corp.
1501 Woodfield Rd.
No. 204/5
Schaumburg, Ill. 60195
(706) 517-2990

Malcolm G. Twitty, Agent
900 South Roselle
Schaumburg, Illinois
60118
(708) 893-1454

Michael F. Realy
c/o Service Ins. Agency, Inc.
300 W. Golf Road
Mt. Prospect, Ill. 60056
(708) 870-0400

Barbara Wick or
Cliff Treese
Suburban Ins. Consultants
Suite 450
3930 Ventura Drive
Arlington Hgts. Il. 60004
(708) 870-7000

Joel Davis, Agent
Millers Mutual
400 Milford Court
Schaumburg, Ill. 60193
(708) 980-0850

Craig B. Johnson
Johnson Insurance
437 Higgins
Elk Grove, Ill. 60007
(708) 437-0030

William Bradish, CLU
4801 West Emerson Avenue
Palatine, Illinois 60067
(708) 297-2500

Bernell Hutson
313 Meadowlark Road
Bloomingdale, Ill.
(708) 529-5179

Martin O'Grady
Allstate
51 W. Higgins
S. Barrington, Ill. 60010
(708) 551-2445

Keith Robinson
Allstate
51 West Higgins
S. Barrington, Ill. 60010
(708) 551-2404

APPENDIX

- Cover Letter
- Survey Instrument
- Proposed Curriculum

William Rainey Harper College
1200 West Algonquin Road
Palatine, Illinois 60067-7398
708-397-3000

December 3, 1990

Dear Insurance Executive:

Harper College has a goal of providing meaningful educational opportunities to career-minded people. To accomplish this goal it needs your help in evaluating a proposed program in insurance.

Attached is a copy of a new two-year, 60 credit hour, program for those interested in entering the insurance profession or already employed in insurance and wishing to further their formal education. It allows for specialties in property/liability or life/health insurance. The program was developed by an advisory committee consisting of representatives from Allstate Insurance Company, Zurich American Insurance Company, the Signature Group and two local independent agencies. Completion of the program will earn an Associate in Applied Science degree.

Please review the two-year program curriculum and then answer the ten questions on the enclosed feasibility study survey. When this is completed, please return it in the self-addressed envelope enclosed for your convenience. Thank you for your help and your interest in education will be rewarded with more capable people available to you as employees.

Very truly yours,

Ray Normann

Raymond W. Normann, CPCU

jc
Enclosures

December 1990

INSURANCE

Proposed A.A.S. Degree Requirements

Career Exploration	1

First Year

First Semester		Second Semester	
INS-121 Principles of Insurance (BFC-110)	3	INS-122 Principles of Personal Insurance (BFC-112) or INS Principles of Life and Health Insurance (2)	3
MGT-111 Introduction to Business Organization	3	ACC-101 Principles of Accounting Theory I	3
MGT-150 Business Math	3	DPR-100 Computer Literacy	3
ENG-101 Composition	3	BFC-102 Commercial Law	3
Elective (1)	3	SPE-101 Fundamentals of Speech Communication	3
	15		15

Summer

INS Internship	2

Second Year

First Semester		Second Semester	
INS-123 Principles of Commercial Insurance (BFC-113) or INS Principles of Life and Health Insurance Operations (2)	3	ECO-202 Principles of Economics II	3
ECO-201 Principles of Economics I	3	BFC-215 Financial Statements Interpretation & Analysis	3
PHI-150 Business Ethics	3	ENG-130 Business Writing I	3
ACC-102 Principles of Accounting Theory II	3	LTE-201 Tort and Insurance Law	3
	12	DPR-120 Introduction to Business Software Packages	3
			15
		TOTAL HOURS	60

(1) - Electives: BFC-101 or any Social Sciences or Humanities course for which there is no prerequisite

12

(2) - Life Management Institute/LOMA Course 1 and 2

Feasibility Study for Need of Proposed
Insurance Program at Harper College

Please review the enclosed curriculum for the proposed Insurance Program at Harper College and then answer the following questions.

1. If Harper had this proposed Insurance Program now, how many graduates would you hire in the coming year? _____

2. If you did hire graduates of Harper's Insurance Program, what full-time annual salary would you pay them? Check (x) one.

_____	a. Under $15,000	_____	e. $22,500 - $25,000
_____	b. $15,000 - $17,500	_____	f. $25,000 - $27,500
_____	c. $17,500 - $20,000	_____	g. $27,500 - $30,000
_____	d. $20,000 - $22,500	_____	h. Over $30,000

3. How many summer interns could you use in your company of students enrolled in this proposed Insurance Program at Harper? _____

4. How many of your current employees would you encourage to enroll in Harper's proposed Insurance Program in the coming year?

Number who would be encouraged to enroll for an associate degree	Number who would be encouraged to enroll for an 18-hour certificate	Number who would be encouraged to enroll for a few courses
_____	_____	_____

5. If your current employees did enroll in the current program, what kind of tuition reimbursement program do you have? Check (x) one.

_____ a. Full tuition rebate upon successfully completing courses

_____ b. Partial tuition rebate upon successfully completing courses.

_____ c. No tuition rebate program

_____ d. Other program (specify) _____

6. What would be the most convenient time for your employees to attend courses at Harper in the proposed Insurance Program? Check (x) one.

_____ a. Early morning 6:00-8:00 a.m.
_____ b. Late afternoon 4:00-6:00 p.m.
_____ c. Evenings 6:00-10:00 p.m.
_____ d. Weekends

(Over)

7. Do you have anyone at your firm whom you would recommend as a part-time faculty member for the proposed Insurance Program at Harper College?

Name _____

Address _____

_____

Telephone Number_____

8. Would you like to see Harper offer continuing education seminars or workshops for people in the insurance field? Check (x) one.

_____ a. Definitely yes

_____ b. Not sure

_____ c. Definitely not

9. If you are interested in Harper offering continuing education seminars and workshops for people in the insurance field please check (x) all the topics you would like to see addressed.

_____ a. Current Events

_____ b. Industry Issues

_____ c. Executive Communication Sessions

_____ d. Consumer Views

_____ e. Technical Information

_____ f. Management Issues

_____ g. Future Trends

_____ h. Other (Specify)_____

_____

10. Do you have any suggestions for changes or additions to the proposed Insurance Program at Harper?

_____

_____

_____

Operational Staff:

Secretary: Janice A. Cook
Tabulation: Karla Hill

William Rainey Harper College
1200 West Algonquin Road
Palatine, Illinois 60067-7398
708/397-3000

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